



GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ANIMAL HUSBANDRY DEPARTMENT – Implementation of Sheep Insurance Scheme in the State during 2008-2009 – Enhancement of sum assured and Government's contribution – Orders – Issued.

ANIMAL HUSBANDRY, DAIRY DEVELOPMENT & FISHERIES (AH.III) DEPARTMENT

G.O. Ms. No.94

Dated 10th September, 2008.

Read the following:

1. G.O.Ms.No.48, Animal Husbandry, Dairy Development & Fisheries (AH.III) Department, dated 30th May, 2006.
2. From the Director of Animal Husbandry, Letter Roc.No.7887/SGD/2006, dated 30.5.2008.

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ORDER:

In the G.O. first read above, Government have approved the Sheep Insurance Scheme for implementation in the State with effect from 1.6.2006. As per the conditions which were mutually agreed to by the Director of Animal Husbandry and the four Government Insurance Companies, the Insurance Companies charged 3.2% premium for a fixed insured sum of Rs.500/- for young sheep (aged 4 months to 1 year) and Rs.1,000/- for the sheep (above one year to 7 years age). In case of mortality, the Insurance amount of Rs.500/- to the young sheep and Rs.1,000/- to the sheep above one year and up to 7 years age would be paid to the sheep growers by the Insurance Companies. 50% of the Insurance premium shall be paid by the Government and the remaining 50% shall be borne by the beneficiaries.

2. The Director of Animal Husbandry in his letter second read above has reported that in a review meeting held on 20.5.2008, the Insurance Companies have explained the performance of the scheme, steps to be taken to improve the scheme and also the premium and incurred claim ratio. It has also been explained in detail the necessity to increase the sum insured. The necessity of increasing the premium has been highlighted keeping in view of the loss incurred under the scheme by all the four Insurance Companies. The incurred claims percentage was 157.84% and the loss incurred by the four Public Sector Insurance Companies was Rs. 676.14 lakhs during 2006-07 and 2007-08. Keeping in view the above, the Insurance Companies quoted 5.5% premium to be charged for 2008-09 without profit motive and to discharge social obligations instead of 3.2% which is being paid during 2006-07 and 2007-08. After meeting with the Insurance Companies, different aspects of implementation of scheme has been discussed and the Insurance Companies have been requested to reduce the rate of premium as the sheep are mostly reared by poorer sections belonging to backward classes, scheduled castes and tribes. The Insurance Companies responded positively and after series of negotiations, the Insurance Companies finally offered 4.5% per annum and 8.1% for 2 years. The Director of Animal Husbandry has opined that the final rate offered by the Insurance Companies is reasonable keeping in view of the loss incurred during the last 2 years. The Director of Animal Husbandry has further reported that presently the adult animals are insured for Rs.1000/- and young animals are insured for Rs.500/- as per the agreed value. Several representations have been made by the shepherds, and public representatives for revision in agreed value/sum insured to Rs.2000/- and Rs.1000/- for adult and young sheep respectively, as it is felt that the sheep are under-valued, thereby the shepherds are not showing much interest for insuring their sheep to the present existing agreed value. As the slaughter value of sheep is more than the agreed sum assured, at some instances, the scheme is not encouraging. In view of this, the Director of Animal Husbandry has recommended that the above request is justified for consideration, as the market rates are higher than Rs.2000/- and Rs.1000/- for adult and young sheep respectively. The Director of Animal Husbandry has further reported that with the proposed premium rates, there will be additional financial burden on the sheep growers. Hence he has proposed to share 2/3rd of the premium amount by Government and 1/3rd premium amount by the beneficiaries to reduce additional burden on the shepherds. He has finally requested the Government for approval of the above for implementation of the Sheep Insurance Scheme during the year 2008-2009.

P.T.O.

3. After examining the above issues in greater detail, impartial modification of the orders issued in the G.O. first read above, Government hereby approve the following rates for implementation of Sheep Insurance Scheme during 2008-2009:

1. Increase the sum assured to Rs.2,000/- and Rs.1,000/- for Adult and young sheep respectively;
2. To pay a premium of 4.5% for one year and 8.1% for two years in case of adult sheep and 4.5% for one year in case of young sheep (4months to 1 year); and
3. To share 2/3rd of the premium amount by the Government while the remaining 1/3rd amount to be borne by the sheep rearers.

4. Since it is reported that there are complaints of delay in settlement of claims, the Director of Animal Husbandry is directed to work out a plan in which the claims would be settled in a short time and in a time bound manner.

5. The Director of Animal Husbandry is also directed to implement the Sheep Insurance Scheme without extra financial commitment from available resources. The off take of the Scheme should be accordingly regulated. Under no circumstances additional funds shall be provided for the purpose.

6. The Director of Animal Husbandry shall take further action accordingly.

7. This order issues with the concurrence of Finance (Expr.AHFFCS&E) Department vide their U.O.No.7701/300/sA1/Expr.AHFFCS&E/2008, dated 19.8.2008.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. PRIYADARSHI DASH,
Special Chief Secretary to Government.

To

The Director of Animal Husbandry, Hyderabad.

Copy to:

The Pay & Accounts Officer, A.P., Hyderabad.

The Director of Treasuries & Accounts, Hyderabad.

The Accountant General, A.P., Hyderabad.

The Special Secretary to Hon'ble Chief Minister.

The Finance (Expr.AHFFCS&E) Department

The O.S.D. to Hon'ble Minister (AH,DD&F)

The P.S. to Chief Secretary to Government.

The P.S. to Special Chief Secretary to Government, AHDD&F Department.

The General Administration (Cabinet) Department

// FORWARDED :: BY ORDER //

SECTION OFFICER